



P.O. BOX 69, HEBER CITY, UTAH, 84032

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January 10, 1971

To: BOARD OF DIRECTORS

Gentlemen:

We are calling a Board of Directors meeting for 10:00 A.M. Saturday morning, January 15, 1972 at the Ashton Oil Office.

AGENDA:

1. Finances
2. Acceptance of leases on right of way
3. Annual meeting preparations (first Monday in Feb.)
4. Report from President on results of efforts to get long term capital

Finances: our most critical problem. We are enclosing a copy of our Accounts Payable that we are unable to pay. As you can see, some of these are becoming sizeable, and some are also very old. This does not include some obligations that the Company has that the debtee has not pressed for a billing such as heating plants in station and house to Heber Heating, account for housing Ed and Dennis for most of the year to Aloma, Lowe Ashton's personal expenses for six months, ect. Also, the secretary's salary is being paid by Ashton Oil as are some small bills that were becoming a little annoying. We will damage our credit irreparably if we do not take care of them immediately. Our efforts to get bank loans have been unproductive even when we have offered to put up the property we own or control as security (Zions turned us down flat, First Security is still thinking about it). The only basis both local banks will loan money to us readily is with personal guarantees which you as directors have refused to do. We have also failed to attract any more stockholder money in our contacts. I want to remind all Directors that as a Board, we have a fiscal responsibility to the elected position to create the proper financial base to keep the Company in good standing, or, as a Board of Directors we are derelict in our duty. Those of us who have to look at the creditors in the face day after day and promise that money is right around the corner are getting damned tired of telling fibs.

I will therefore propose some very stringent operating proposals if the Directors cannot come up with some other acceptable financing, such as: 1). All notes payable to Board Members be changed to corporate stock, and 2). That we reduce the value of a share of stock to get additional money. I realize that this could be a bad business move, would hurt all of us as to the value of our old stock, and it may not look good for our public issue, but if there is any other way I expect the Board to come up with an answer. We just cannot go on in the manner we have existed the past four months.

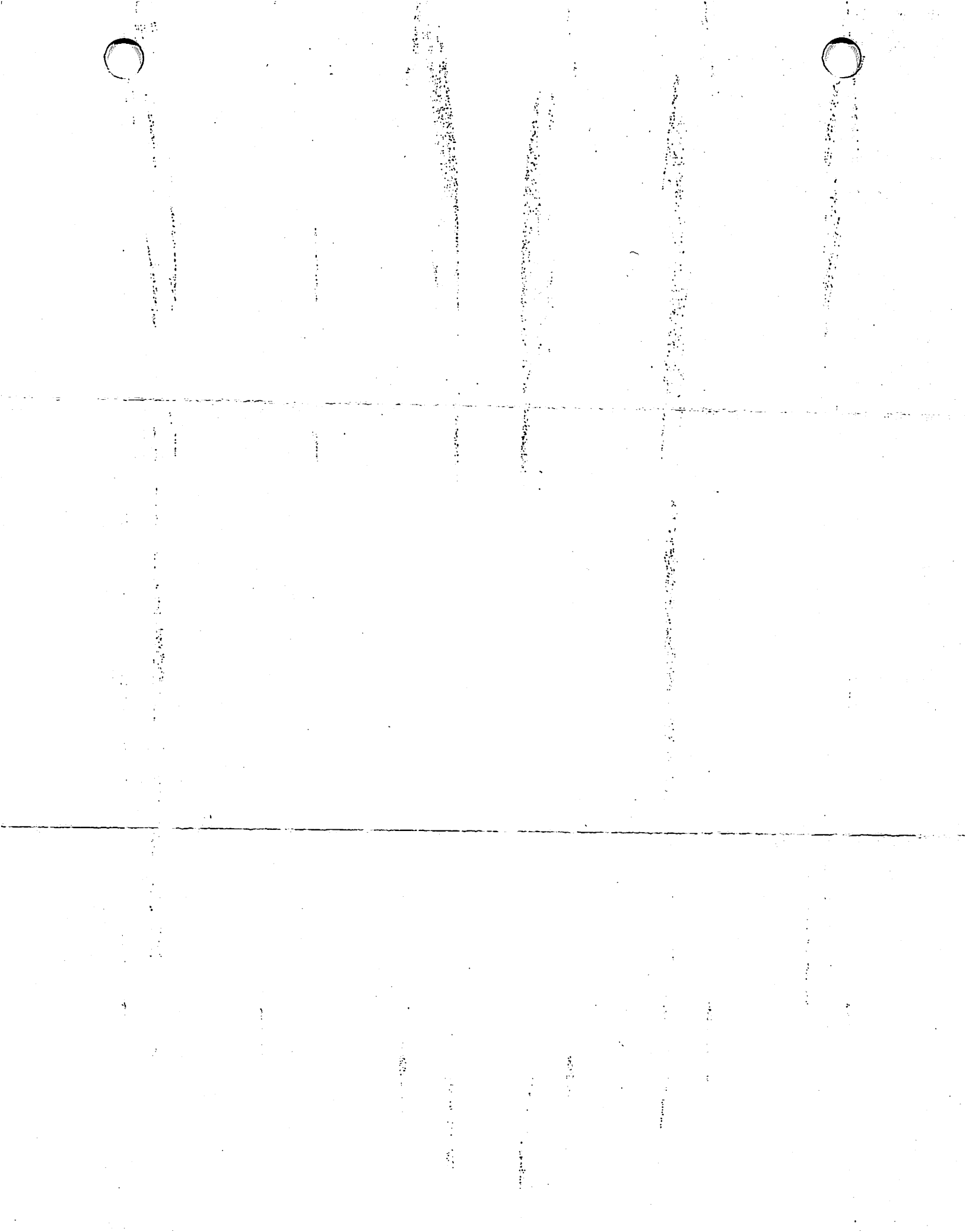
I realize that the primary reason for this financial problem is the tremendous costs we have had to assume to get the leases finalized, but there is nothing we can do about it, and it is now time to correct those problems.

Please be in attendance.

Very truly yours,


Lowe Ashton

THE IRON HORSE TRAIL THROUGH THE ALPS OF UTAH



A & K Railroad Materials	315.48
Ab's Hardware	104.80
Anderson Hardware	34.87
American Linen	64.08
Ashton Bros. Company	131.67
Ashton Oil	804.17
Art Berg Const.	1,232.67
Berrill Bottling	697.90
J. Harold Call	701.60
Colorland	30.10
Continental Oil	21.87
Culligan Water Conditioning	153.63
Forsey Variety Store	4.03
Fourth Quorum of Elders	92.00
Gardner, Squire & Gilbert	200.00
R. Raymond Green, M.D.	17.00
Hansen Candy	79.24
Heber Light & Power	90.41
Heber Lumber	386.32
Heber Valley Floral	10.95
Hicken Oxygen	14.30
Husky Oil	4.17
Intermountain Oil Marketers	95.01
Walt Klinger	14.05
Knight Condley	8.36
L. B. Foster	467.21
Lorraine Press	39.71
Gordon Mendenhall Ins.	105.00
Mine and Smelter Supply	23.56
Mt. Fuel Supply	58.07
Mt. States Telephone	254.52
Moulton Farm Machinery	24.36
Murray Foods	21.00
Newspaper Agency Corp.	258.72
Norton Manufacturing Co.	170.00
Olympus Ins. Agency	43.00
Palace Drug	13.80
Sears Robuck & Co.	88.56
Jim Smedley	71.00
Strong, Poelman & Fox	456.53
Texaco Inc.	22.68
Transport Clearings	51.90
Turner Building Supply	373.80
Valley Square Shopping Center	31.59
Wasatch Chamber of Commerce	28.11
Wave Publishing Co.	19.33
Whitmore Oxygen	4.70
Wycoff Inc.	3.25
Geniel Zufelt	4.80

Grand Total \$8,816.63Payroll Checks

Ed McLaughlin	345.29
Dennis Spendlove	327.22
Gordon Wheeler	157.24
Merle Giles	43.00

\$ 872.75

TOTAL

\$7,943.88